

Washington State Homeland Security Section

Information Bulletin

HLS-IB-2008-009

Subject: Sole Source Procurement

Date: July 28, 2008

Approved:

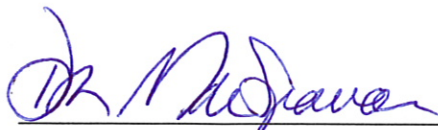

Don MacSparran

Table of Contents

- I. Introduction**
- II. What are the Sole Source Thresholds Requiring Preapproval Review?**
- III. How to Receive Preapproval for Sole Source Procurement or Sole Source Consultant?**
- IV. Document Adequate Competition in Procurement**
- V. References**

I. Introduction

The Homeland Security Section of Emergency Management Division (EMD) is providing this information bulletin to assist local governments, state agencies and tribes in properly accounting for \$100,000 sole source procurements and \$450/day sole source consultants paid from Homeland Security Grant Program (HSGP) received from the Department of Homeland Security (DHS).

II. What are the Sole Source Thresholds Requiring Preapproval Review?

All sole source procurements in excess of \$100,000 or sole source consultants in excess of \$450/day (excluding travel and per diem) must receive prior approval of the awarding agency. Interagency agreements between units of Government are excluded from this provision.

III. How to Receive Preapproval for Sole Source Procurement or Sole Source Consultant?

Under certain circumstances, however, this sole source rule can be waived if the applicant can document that there is only one contractor qualified or available to perform the function. Criteria that meet this threshold should be discussed with a program manager's direct supervisor and an Office of General Counsel contact. Sub-recipients must review their sub-grantee's request for sole source procurement exemptions. The customary fixed fee or profit allowance in cost-type contracts may not exceed ten percent of the total estimated costs. Request the Contractor Sole Source Review Request template from a program manager (see page three below).

Sub-recipients of State Authorized Agent (SAA) shall follow the procurement requirements imposed upon them by their state rules found in the State Administrative and Accounting Manual (SAAM) Chapter 15 <http://www.ofm.wa.gov/policy/default.asp>. If local procurement requirements are more restrictive than the state rules, then sub-recipients must follow their local requirements. Otherwise, recipients and sub-recipients must follow Code of Federal Regulations Section 2 CFR 215.

IV. Document Adequate Competition in Procurement

For Washington State Agencies, competition is required for purchases between \$3,300 and \$43,900 if no state contract exists <http://www.ga.wa.gov/purchase/contracts.htm>. The competition can be informal but must be documented and attached to the purchasing document. Sealed bids are required for purchases over \$43,900. More information may be found in the Washington Purchasing Manual <http://www.ga.wa.gov/PCA/manual.htm>.

V. References

DHS Office of Justice Programs Financial Guide 2006,
<http://www.ojp.usdoj.gov/finguide06/part3/part3chap10/part3chap10.htm>

Code of Federal Regulations Section 2 CFR 215 <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=0a89c0dff15ef3c952832f9286f7f0a8;rgn=div5;view=text;node=2%3A1.1.2.3.2;idno=2;cc=ecfr> or OMB Circular A-110 <http://www.whitehouse.gov/omb/circulars/a110/2cfr215-0.pdf>
215.40

Contractor Sole Source Review Request	
Requesting Entity	
Point of Contact	
Grant Program	
Contract Number	
Requested Amount	\$
Requested Contract Deliverable	
Requested Sole Source Contractor	
Reason for the Sole Source Contract:	
HLS Strategy Link(s)	
TCL Capability Link(s)	
Contractor Task Link(s)	

Sole Source Contractor SAA Review Checklist	
Is the sole source procurement in excess of \$100,000?	<input type="checkbox"/>
Is this an Interagency agreement between units of Government? If so, it is excluded from this sole source SAA approval provision.	<input type="checkbox"/>
Has the sub-recipient documented that there is only one contractor qualified or available to perform the function? If so, the sole source SAA approval rule can be waived.	<input type="checkbox"/>
The customary fixed fee or profit allowance in cost-type contracts may not exceed 10 percent of the total estimated costs. Has the sub-recipient documented that this percentage has not been exceeded?	<input type="checkbox"/>
The recipient and sub-recipient shall be alert to organizational conflicts of interest or noncompetitive practices among contractors which may restrict or eliminate competition or otherwise restrain trade. Has the sub-recipient documented a good faith effort of this?	<input type="checkbox"/>
Did the sub-recipient do a bid process? Was it open or closed? Formal or informal?	<input type="checkbox"/>
Comments:	
Did the sub-recipient do a RFP? Comments:	<input type="checkbox"/>
Does the awarding agency SAA give approval for this sole source procurement?	<input type="checkbox"/>
Approval Narrative Justification:	
Reviewer name and title:	
Reviewer signature and date:	

